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Automotive News

September 4, 1989

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Chevy group fights GMAC turndowns

Dallas dealers try outside audit

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet dealers in Dallas have hired an independent firm to investigate the loan practices of General Motors Acceptance Corp., which dealers claim are too restrictive and are costing them sales.

Karl Singer & Associates, a national finance consulting firm in Dallas, will track every loan request made by the Dallas dealers and will examine GMAC's response to those requests for an undetermined time period.

The firm will pay particular attention to GMAC's controversial first-time buyer program and tiered-finance program. In the latter program, the best credit risks receive the most attractive loan rates, and the less credit-worthy are charged the highest rates.

"We, like many GM dealers in the country, think that GMAC's buying practices are hurting our business," said Mike Doran, of Doran Chevrolet. Doran is president of the Dallas Area Chevrolet Dealers Association.

Restrictive loan practices have contributed to the decline of Chevrolet volume in Dallas and across the country, he said.

GMAC had no comment on the Dallas dealers' action.

But in a letter to dealers in May, John Edman, GMAC chairman, acknowledged dealer complaints — particularly about the tiered program. In the letter he said GMAC must maintain a spotless record of profitability or its access to funds loaned to dealers and car buyers would be cut off.

Doran said the association has met with GMAC officials and written letters in an effort to get GMAC to change its policies. The association hired Karl Singer and Associates to come up with the scientific data to support the claims it has made against GMAC.

GM dealers — not only in Dallas — have complained that the first-time buyer program is too restrictive and doesn't provide for low enough monthly payments for the first-time buyer.

"The first-time buyer program has been a failure," said Doran. "The customer has to be gold plated before GMAC will agree to finance his purchase."

Doran said one Dallas dealer turned in 30 applications under the first-time buyer program in July and all were turned down.

see DALLAS, page 52

HIDDEN IMAGE PHOTOS

Spy photos capture General Motors' Saturn prototypes in close-to-production form. Above, the two-door sporty model has a longer nose and concealed headlamps, compared to the sedan version parked next to it. Below, rear wraparound glass gives the sedan a distinct look.

Engineers, designers mixed in early Saturn appraisals

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Cars that roll off the Saturn assembly line next summer may bear a strong resemblance to the Ford Probe and Pontiac Bonneville already available in dealer showrooms.

That's according to automobile engineers and designers who were asked to analyze the style and design of two- and four-door Saturn models as they appear in photographs obtained by Automotive News.

Several soon-to-be Saturn dealers praised the styling as a hit.

Some independent designers said the new Saturn coupe, with its low-front, high-back, rounded body, its thin, all black pillars, and its wrap-around glass is a dead ringer for the Ford Probe. Some said the four-door model resembles the Pontiac Bonneville.

"That (the two-door model) definitely looks like a Probe," said Scott Johcox, a senior designer at Technical Services, an automobile design house, in Troy, Mich. "The four-door, minus the door handle, looks like the Bonneville."

Gary Krolewski, another senior designer at Technical Services, agreed and added that he hopes the car is not "spoiled" by a small engine.

"I'm impressed; it has nice lines," he said. "The least it should have is a V-6 fuel-injected engine."

Caesar Gonzalas, a senior designer at Technical Services who briefly worked on the Saturn project a few years ago, said he likes the rounded look of Saturn's quarter panel.

Carl Olson, chairman of Transportation Design at the Center for Creative Studies, an art college in Detroit, said the Saturn coupe is "immediately recognizable as a General Motors car" and has sev-

see SATURN, page 52

Porsche cuts back; trims imports, staff

Only 8,970 cars set for U.S. in '90

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Porsche Cars North America, anticipating a further sales slide, will reorganize the way it sells and distributes cars and parts in the United States.

As part of that reorganization, Porsche last week fired 50 people from all levels of its U.S. operations — from directors to clerical help.

And next year dealers will find themselves selling even lower-volume, higher-priced niche cars whether they like it or not.

A two-page letter sent by Porsche Cars North America to dealers on Aug. 23 told dealers that they will have a total of 8,970 1990-model cars to sell. Some dealers predict that number may be even lower.

In total, Porsche says it will have 11,320 cars for the 1990 calendar year, including 1989 carryover vehicles.

"As you are aware from past experiences our planned production is always subject to variances," wrote Porsche Cars North America President and Chief Executive Officer Brian Bowler to dealers.

"In our opinion, in this model year any revisions to the production plan can only be downward."

Porsche says it will sell 12,000 cars in the United States in 1989. If 1989 sales continue at the current pace, Porsche will sell just 9,552 cars this year. Through July 31 Porsche Cars North America had retail deliveries of 5,722 cars for a 796 car-per-month average, a 39 percent decrease from 1988. That 1989 average does not take into account any new-model start-up delays, including 944 Cabriolet and 911 Carrera 2s. This week, Porsche Cars North America will release August sales results and Porsche AG will release 1988 financial results.

Porsche has suffered serious sales losses since its high mark of 30,471 in 1986. Sales declined to 23,632 in 1987 and 15,737 in 1988.

Porsche Cars North America officials said that 1990 calendar production for worldwide sales would remain flat or increase slightly depending on market conditions, and would tally from 32,000 to 34,000.

Porsche officials said the company implemented the reorganization to reduce costs by eliminating duplication of vehicle and parts

see PORSCHE, page 52

Porsche sales

AUTOMOTIVE NEWS / LANCE GRAYER

Frankfurt show to spotlight new BMW, Accord

BMW's 300-hp 850i, one of the Frankfurt International Motor Show's stars.

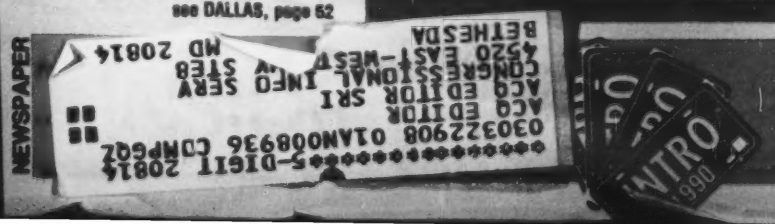
By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Next week's opening of the Frankfurt International Motor Show will be dominated by a series of flashy sport coupes and purebred sports cars from European makers, while one Japanese maker will be unveiling the next generation of its most important product.

Headliners at the semi-annual German exhibition include BMW's V-12-powered 850i coupe, the new Ferrari 348, Opel's Calibra that marks another European entrant in the Japanese-ruled coupe segment and Porsche's rear-wheel-drive 911 Carrera 2.

Porsche is also readying a potentially explosive design study for

see FRANKFURT, page 51



Intro '90 — Automakers show their hands:

Buick, pg. 21 · Cadillac, pg. 20 · Chrysler, pg. 20 · Dodge, pg. 27 · Eagle, pg. 27 · Jeep, pg. 30 · Lincoln, pg. 4 · Oldsmobile, pg. 20 · Plymouth, pg. 20 · Pontiac, pg. 21 · Suzuki, pg. 30

Engineering replaces pretty cars in Chrysler TV ads

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — In its 1990-model advertising, Chrysler Motors shuns the traditional hallmarks of television car campaigns — strong music and speeding cars on scenic highways.

Techniques used in Chrysler's new television ads include humor, wit and recital of engineering and product details. More often than not, vehicles don't move.

Chrysler will no longer use spokesman Ricardo Montalban, who made "rich, Corinthian leather" part of the nation's vocabulary.

Joseph Campana, vice president of Chrysler-Plymouth, said, 'Ricardo has been a great friend for 15 years, but the (1990) advertising doesn't lend itself to a spokesman."

Instead, the Chrysler brand campaign focuses on the company's engineering heritage and employs a new theme: "There is no luxury without engineering."

But two celebrity spokesmen will be seen in other campaigns. Chrysler Corp. Chairman Lee Iacocca appears in corporate ads touting the company's customer satisfaction rating. And Tina Turner speaks — but does not sing — for Plymouth.

Dodge has employed another big name, but not on camera.

The Dodge commercials are directed by Joe Pytka, whose credits include the Madonna Pepsi commercials, Bo Jackson Nike commercials, Michael Jackson music videos and the feature film "Let It Ride," starring Richard Dreyfuss.

Chrysler declined to specify how much it will spend on advertising. Advertising Age, a sister trade publication to Automotive News, estimates 1989 spending at $500 million.

Campana said 70 percent of the Chrysler brand's 1990 advertising budget will be spent for print campaigns. Traditionally, the brand has spent about 40 percent of its budget on print.

Chrysler said print dominates the buy because the company believes luxury-car prospects don't watch as much television as the average buyer.

Ninety percent of Plymouth's spending will be television as the company strives to increase brand awareness, Campana said.

John Damoose, vice president of Dodge, said Dodge will spend an estimated 35 percent of its advertising budget in print this year compared to 20-25 percent last year.

Seventy percent of spending for the Jeep and Eagle brands will be in television, according to Joseph Cappy, vice president of Jeep-Eagle.

Chrysler Corp. previewed its advertising campaigns last week.

CHRYSLER: The company's flagship division is unveiling two luxury models, the Imperial and New Yorker Fifth Avenue, in the 1990 model year. Advertising will stress engineering technology and position the cars in the luxury market.

Chrysler combed its corporate archives and found television footage of a 1934 Chrysler Airflow somersaulting off a cliff, landing solidly on a road and continuing its journey. Walter P. Chrysler's original tool box also appears in the ad, underscoring the company's tech-

see ADS, page 53

Singer Tina Turner won't be selling Plymouths with a song.

AUTOMOTIVE NEWS/JOE WILSDORF

With GM Building in the background, Tonkin delivers blast at automakers.

Tonkin tells makers, 'Help us, we help you'

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association could withhold its lobbying clout on issues crucial to automakers unless the manufacturers make concessions on fleet subsidies and other practices that reduce dealership profits, NADA President Ron Tonkin warned last week.

"We have some bargaining chips," Tonkin said at a press briefing in Detroit. "We want to know what the trade-off is. If they want help from us on their problems, then we want help from them with ours."

Tonkin's threat comes as the auto industry faces several dramatic new initiatives in Washington: potentially stricter emissions standards, safety regulations and corporate average fuel economy standards.

Tonkin is winding down a whistle-stop tour of 17 major American cities. He is talking to dealers and the news media about the plight of automobile dealers and what he says are the injustices automakers perpetrate against them.

Profits have dipped significantly for auto dealerships in recent months, according to Tonkin, who says half the dealers are either losing money or breaking even.

Since he became NADA's outspoken and controversial chief last February, Tonkin has centered his crusade against automakers on manufacturers' subsidies to fleet buyers. He wants franchised dealers to get the automakers' lowest price.

He has also complained about reductions in payments on warranty work and the 1 percent mandatory dealer advertising fee

see TONKIN, page 53

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AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Electronic safety options thrive

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Sales of safety devices and electronic doodads targeted at driver comfort are booming, driven by consumer demand and legislation. For automakers, that means higher profits.

William R. Pochiluk, president of Autofacts Inc. in Paoli, Pa., estimates the automotive electronics market represents a retail value of $8.7 billion this year and will grow to $13.8 billion in five years.

The research firm has just finished an 18-month study on the outlook for automotive electronic systems. It gathers its data from automakers and their suppliers.

According to the study, growth in electronic options has been kindled in part by sales incentives, which have increased option loading and reduced prices.

"The growth of OEM earnings despite continuous incentives for the 1986-88 model years reflected higher option loading with higher profit output," said Pochiluk.

Other influences have been:

- Competition, which has expanded option availability and reduced prices.
- New automotive electronic products and product-cost improvements, which have hiked demand.
- Car buyers have asked for the same creature comforts when they purchase trucks.
- More consumer purchasing power.
- Demand for electronic features moves in one direction — up.

According to the study, Ford Motor Co. is expected to be a leader in headlamp timing, keyless locks, power door locks, power seats and trip computers. Ford will be strong in anti-lock brakes, cruise control and intermittent wipers for trucks.

General Motors is expected to have an edge in automatic air conditioning, anti-lock brakes, anti-theft devices, cruise control, load levelers and power windows for cars and power windows for trucks.

Although Chrysler Motors is expected to lag behind its domestic competitors, it will lead in air-bag sales and intermittent wipers for cars. It is likely to sell more power door locks, rear window defrosters and rear-window wipers on its

see OPTIONS, page 53

AUTOMOTIVE ELECTRONIC OUTLOOK

Feature application rate for total passenger car industry in percent

Feature	1988	1989	1990	1991	1992	1993	1994
Air bag (driver)	0.9	4.9	36.5	44.0	52.2	59.6	65.2
Air conditioning (automatic)	16.3	14.9	17.8	17.9	18.2	18.5	18.7
Anti-lock brakes	2.7	6.1	10.3	20.2	24.5	28.4	32.7
Anti-theft device	2.0	3.0	3.2	3.4	3.7	3.8	3.9
Cruise Control	67.9	69.3	70.6	71.1	71.9	73.2	73.9
Headlamp timing	14.4	16.1	18.0	18.1	18.0	18.7	18.5
Intermittent wipers	83.3	86.0	86.8	87.7	88.6	89.3	90.1
Keyless locks	3.7	4.8	5.4	5.7	5.8	6.1	6.3
Load leveller	9.0	9.8	10.9	11.2	11.6	11.5	11.7
Power door locks	35.6	58.2	60.5	62.1	63.7	65.5	66.7
Power seat (driver)	33.9	34.3	34.9	34.8	35.1	35.5	36.0
Power sunroof	3.0	3.9	4.8	5.7	7.3	8.2	8.8
Power windows	49.4	53.1	55.8	57.8	59.3	61.3	62.6
Rear window defroster	81.1	83.2	85.9	87.4	88.6	89.9	91.0
Rear window wiper	5.1	4.2	5.6	6.3	6.3	6.8	7.6
Trip computer	7.7	11.7	12.8	13.3	13.9	14.1	14.5

SOURCE: Autofacts, Inc.

GM to name Smith successor next spring

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors directors will begin the process of choosing Chairman Roger B. Smith's successor at their October meeting and will announce their selection by late spring.

Smith, who retires in July when he reaches 65, told investment analysts last week that his successor will be named a couple months before he leaves.

Those who attended GM's annual meeting for analysts at its Milford, Mich., proving grounds last week said that most GM officials were in favor of having the financial side and the engineering side represented in the company's top two spots.

In recent history, the chairman generally has risen through the financial ranks while the president generally has been an engineer.

Frontrunners for the chairmanship are President Robert Stempel and Executive Vice President F. Alan Smith. Outside possibilities include Executive Vice Presidents William Hoglund, Lloyd Reuss, Robert O'Connell and John Smith.

GM executives also said the automaker believes it could maintain its present dividend even during an economic downturn. The quarterly common stock dividend is currently 75 cents a share.

Portfolio managers were concerned about GM's ability to maintain the dividend.

GM executives showed analysts that even if car and truck sales fell to 12.5 million units annually from this year's expected 15 million, GM could sustain its present dividend.

Analysts attribute an upturn in GM's stock price to the optimism expressed at the Tuesday meeting. In a market that was flat Thursday, GM's stock rose $1.63, to $48.75, and was among the most actively traded issues. The auto stocks as a group were the most actively traded, led by GM.

Scott Merlis, auto analyst with Morgan Stanley, said the upward movement of GM's stock Thursday increased the automaker's value

see GM, page 53

Analyst sees Japan taking 7 points of Big 3 market by '94

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Powered by a surge of North American production, Japanese automakers will wrest almost seven points of market share from the U.S. Big 3 by 1994, a J.D. Power analyst predicts.

Japanese car nameplates will take 29.8 percent of the U.S. market in 1994, up from 22.9 percent in 1988, said Christopher Cedergren, senior analyst for J.D. Power and Associates, an Agoura Hills, Calif., market research firm.

In the process, the combined shares of Ford Motor Co., Chrysler Motors and General Motors will shrink to 62.5 percent from 69.2 percent in 1988, he said. The Big 3 figure includes captive imports.

MARKET-SHARE PREDICTIONS, 1994
(Percentage of U.S. car sales)

	1994 Predictions	1988 Share
General Motors	32.7	36.2
Ford Motor Co.	20.4	21.8
Chrysler Motors	9.4	11.2
Big 3 Total	62.5	69.2
Honda	9.1	7.3
Toyota	7.6	6.2
Nissan	6.1	4.4
Mazda	2.9	2.4
Mitsubishi	1.6	0.6
Subaru	1.4	1.6
Isuzu-Suzuki-Daihatsu	1.1	0.4
Japanese Total	29.8	22.9
Hyundai	3.0	2.5
European makes	4.7	5.4
Totals	100.0	100.0

SOURCE: J.D. Power and Associates

Domestic automakers are much more competitive today than they were a decade ago, Cedergren told a meeting of West Coast automotive writers.

But the Japanese are emerging from a "yen-shock era" with their manufacturing costs down and their productivity up. They are preparing to challenge domestics in several new segments, he said.

Cedergren, who prepares private forecasts of future product offerings and sales volume for Power's manufacturing clients, sees GM as the biggest loser among the Big 3.

GM's share of the U.S. car market will slip 3.5 percentage points to 32.7 percent by 1994, compared with 36.2 percent in 1988, he predicted. He expects Ford to shed 1.4 points from last year's 21.8 percent and Chrysler to lose 1.8 points and drop from 11.2 percent to 9.4 percent.

The blow to the Big 3 will be softened somewhat because overall car sales will be higher. Cedergren predicted U.S. car sales will reach 11.17 million units in 1994, compared to 10.53 million in 1988.

Big 3 volume will drop about 300,000 units, to 6.98 million; but for Japanese nameplates as a whole, a larger market will translate into more than 900,000 additional car sales: 3.32 million in 1994 compared to 2.4 million in 1988, Cedergren said.

He sees all Japanese makes except Subaru gaining market share, and he looks for an increase by Hyundai and a dip for the European makes (see accompanying table).

He said Japanese automakers are even tougher than before and more firmly entrenched in the U.S. market with North American production capabilities. Asian automakers now build cars at 11 operations in the United States and Canada.

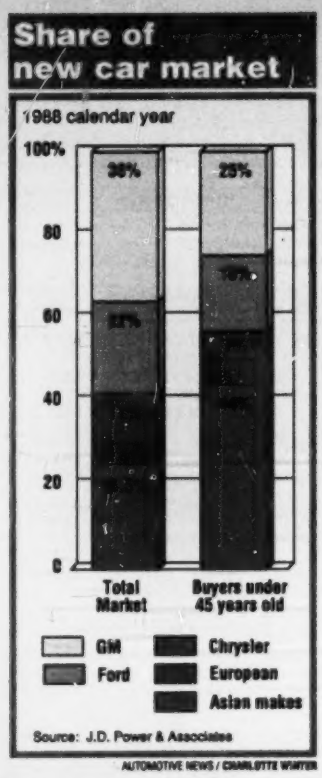
Cedergren said Big 3 manufacturers have improved quality and reliability; introduced more contemporary, world-class styling; increased distinction between product lines; cut reaction time to emerging trends; become better attuned to customer needs; and improved value-for-the-money ratios.

"But the Japanese are a moving target," he said. "They were slowed by the yen-shock era (the appreciation of the yen against the dollar from late 1985 to 1987, which pushed U.S. prices of Japanese vehicles sharply higher), but they have emerged from it with greatly improved productivity and production costs."

Between 1986 and 1989, Japanese automakers increased productivity 45 percent and reduced cost structures 25 percent, he said.

While the exchange rate has stabilized around 140 yen to the dollar compared to 240 yen per dollar in 1985, Japanese manufacturers had prepared for a greater challenge.

"The new break-even point for vehicle exports is 105 yen per dollar and for transplants 95 yen per dollar," Cedergren said.



He said new Japanese cars are being designed and engineered with lower cost bases. His figures show break-even points are targeted at 110 yen per dollar for the 1990 Nissan 300ZX and Mazda Miata, 100 yen per dollar for the 1990 Honda Accord and 95 yen per dollar for the 1991 Toyota Camry and 1992 Honda City.

Other Japanese strategies for the U.S. market will be challenging for the Big 3, he said. They include:

- Bigger cars loaded with more features. Between 1981 and this fall's new 1990 model, the Honda Accord has grown by a foot, from 172 to 184 inches, and its engine has gone from 1.8 liters to a 2.2-liter 16-valve version.
- Increased distribution. Japanese makes intend to add almost 2,000 new dealer points during the next four years, mostly in the Central and Southeastern United States.
- Expansion into the fleet market.
- Riding the crest of the postwar generation. Big 3 automakers are losing the battle for the hearts and pocketbooks of baby boomers, Cedergren said.

In 1988, Asian and European makes captured three out of 10 car buyers for the whole market, but half the buyers were under 45 years old, Cedergren said. Put another way, GM outsold all imports combined, but import makes sold twice as many cars as GM in the under-45 age group.

- Targeting new territory. Japanese automakers are entering — or considering entering — new segments, including what Power designates the upper-middle and luxury range, mid-priced sports coupes and sedans as well as the intermediate pickup category.

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October 16, 1989

Small car content shift

— A look at new ad campaigns and promotional programs by domestic and import auto makers.
— A roundup of advertising and marketing strategies for the 1990 model year.
— Marketing trends and sales forecasts.

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U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Japan	Export	1,151	845	9,049	22,517
	Import	170,218	169,737	2,319,721	2,154,328
Canada	Export	64,079	28,267	598,552	494,119
	Import	114,948	109,489	1,055,198	1,158,147
West Germany	Import	13,664	16,705	309,021	355,544
South Korea	Import	40,933	19,182	481,080	397,504
Sweden	Import	11,256	8,490	118,033	116,016
Mexico	Import	14,184	18,766	149,599	149,380
Yugoslavia	Import	1,623	1	53,009	8,038
United Kingdom	Import	2,491	2,638	46,017	30,228
Italy	Import	155	857	7,679	6,446
France	Import	1,813	1,355	16,351	12,268
Brazil	Import	6,600	3,070	67,141	42,971
Others	Export	10,669	12,205	91,305	1[illegible],474
	Import	1,004	2,476	17,686	24,768
Car total	Export	75,899	41,337	698,906	668,44[illegible]
	Import	378,889	352,766	4,635,535	4,353,638
TRADE BALANCE		(302,990)	(311,429)	(3,936,629)	(3,685,196)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	16,117	11,783	174,982	145,184
	Import	26,221	40,098	230,016	366,380
Japan	Import	45,633	39,721	624,411	493,316
Mexico	Import	2	0	5,[illegible]19	16
Others	Export	2,967	1,317	22,813	26,674
	Import	229	10	1,712	1,527
Truck total	Export	19,084	13,100	197,795	171,858
	Import	72,085	79,829	861,258	861,239
Trade balance		(53,001)	(66,729)	(663,463)	(689,381)
Car and truck total	Export	94,983	54,437	896,701	840,300
	Import	450,974	432,625	5,496,793	5,214,877
TRADE BALANCE		(355,991)	(378,188)	(4,600,092)	(4,374,577)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Japan	Export	$ 12,904	$ 15,008	$ 122,033	$ 295,951
	Import	1,608,671	1,620,241	20,918,282	20,393,642
Canada	Export	645,689	357,510	6,179,240	5,343,215
	Import	1,266,749	1,231,381	11,650,211	12,965,173
West Germany	Import	418,918	404,241	7,654,327	6,071,553
South Korea	Import	221,869	118,414	2,531,126	2,262,391
Sweden	Import	175,217	134,572	1,690,918	1,850,971
Mexico	Import	121,835	160,816	1,319,786	1,298,079
Yugoslavia	Import	4,623	3	135,222	21,814
United Kingdom	Import	68,857	84,613	1,176,580	968,132
Italy	Import	8,004	24,372	175,141	181,861
France	Import	16,683	16,129	172,355	137,401
Brazil	Import	38,398	18,835	357,692	255,247
Others	Export	131,143	163,028	1,199,103	1,928,254
	Import	17,471	40,510	277,816	387,267
Car total	Export	789,736	535,548	7,500,377	7,567,420
	Import	3,967,295	3,854,130	48,060,457	46,793,532
Trade balance		(3,177,559)	(3,318,584)	(40,560,080)	(39,226,112)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 161,280	$ 133,862	$ 1,752,464	$ 1,562,934
	Import	294,730	507,103	2,427,238	4,331,480
Japan	Import	260,237	243,311	3,496,424	3,101,157
Mexico	Import	617	129	43,811	8,802
Others	Export	36,409	15,626	287,269	327,187
	Import	21,132	2,148	130,268	89,225
Truck total	Export	197,689	149,490	2,039,752	1,890,121
	Import	576,715	752,691	6,097,741	7,530,664
Trade balance		(379,046)	(603,201)	(4,057,989)	(5,640,543)
Car and truck total	Export	987,405	685,038	9,540,129	9,457,541
	Import	4,544,010	4,606,821	54,158,198	54,324,196
VEHICLE TRADE BALANCE		(3,556,605)	(3,921,785)	(44,618,069)	(44,866,655
TOTAL U.S. Merchandise trade (customs value)	Export	27,446,900	30,472,500	285,785,600	341,781,000
	Import	38,137,200	40,709,800	424,143,200	457,028,400
TRADE BALANCE		(8,690,300)	(10,237,300)	(138,357,600)	(115,247,400)

Auto trade deficit up 10%; imports rise, exports drop

WASHINGTON — The U.S. trade deficit for passenger cars and light trucks increased 10.1 percent in May, lead by a sharp fall in exports. The annualized automotive trade deficit also rose in May, the first increase since January 1988.

The latest figures from the U.S. Commerce Department show the automotive deficit in May was $3.92 billion compared with a deficit of $3.56 billion in May 1988. The value of exports fell 30.6 percent, while import value increased 1.5 percent.

The annualized U.S. automotive trade deficit increased 0.6 percent to $44.87 billion in May. The deficit for the 12-month period ended May 1988 was $44.62 billion.

Much of the increase in the annualized U.S. automotive trade deficit is attributable to trade between the United States and Canada. In the most recent 12 month-period, exports dropped and imports increased.

Total car and truck imports for May had a value of $4.61 billion, while monthly car and truck exports were valued at $685.0 million.

Passenger-car exports reached 41,337 vehicles in May with an estimated value of $535.5 million. Light-truck exports for the month totaled 13,724 vehicles with an estimated value of $149.5 million.

The value of passenger-car exports rose 16.3 percent to Japan and were up 24.3 percent to nations labeled "others" by the Commerce Department. Exports of passenger cars to Canada were down 44.6 percent for the month.

Total passenger-car imports totaled 352,766 vehicles in May with a value of $3.85 billion. Imports of light trucks totaled 79,829 vehicles for the month with a value of $752.7 million.

Imports of passenger cars from Japan were down a scant 0.3 percent, while imports of Japanese light trucks fell 13 percent for the month.

Imports of cars from Canada were down 4.7 percent, while Canada's truck shipments jumped 52.9 percent.

West German passenger-car imports surged 22.3 percent in May. Mexico sent 32.3 percent more cars to the United States, and British passenger-car imports were up 5.2 percent for the month.

Also posting increases in passenger-car imports were, Italy, which sent 857 cars in May, and nations labeled "others" by the Commerce Department, which sent 2,476 vehicles to the United States for the month.

South Korean imports dropped 53.1 percent for the month to 19,182 passenger cars. Swedish shipments fell 24.6 percent, and France shipped 25.3 percent fewer cars than a year ago. Brazilian imports were down nearly 50 percent to 3,070 passenger cars, and Yugoslavia sent only one car to the United States in May with an estimated value of $4,623.

100,000th Chrysler LeBaron ragtop

Al Schell, left, plant manager at Chrysler Motors St. Louis Assembly Plant No. 1, and Ed Boyer, UAW Local 136 president, stand by the 100,000th Chrysler LeBaron convertible.

Doctors earn GM trauma award

DETROIT — General Motors has awarded prizes in its fourth annual Trauma Research Awards competition to four surgical residents whose research will help advance the understanding and treatment of injury and shock.

The awards, totaling $10,000, are part of a series of three annual Trauma Research Awards given by GM.

The honorees are:

Dr. David K. Magnuson, University of Washington Department of Surgery, Seattle, a $3,000 first-place award in the category of basic laboratory research, for research on a specific enzyme, Protein Kinase C, and its role in relation to inflammation.

Dr. Matthew L. Cooper, University of California Medical Center, San Diego, a $2,000 second-place award in basic laboratory research for his study on the use of antimicrobial agent to prevent infection of skin grafts in the care of burn patients.

Dr. Bradley Reeves, University of Mississippi Medical Center, Jackson, Miss., a $2,500 award in a tie for first place in the category of clinical research for a paper on the treatment options of adolescent fractures of the femur.

Dr. Danielle Desloges, Hospital du Sacre-Coeur, Universite de Montreal, a $2,500 award in a tie for first place in clinical research for a paper on the treatment of hip fractures in elderly patients.

ADS

FROM PAGE 3

nological heritage.

Product features such as Chrysler's four-speed automatic transmission, air bags and anti-lock brakes are compared to similar offerings from Jaguar, BMW and Mercedes-Benz.

PLYMOUTH: Company officials concede that the Plymouth brand has a high level of familiarity in the market but that its image needs polishing.

"Today's Plymouth product is far better than Plymouth's image," Campana said.

Advertising will feature Tina Turner and stress Plymouth products as "smart buys."

Plymouth has dropped its 1989 themeline "Satisfy the Customer. Satisfy the Customer. Satisfy the Customer." Instead, 1990 ads close with "From Plymouth. That's right. Plymouth."

In addition, a new signature/themeline will appear for Chrysler-Plymouth dealer advertising.

The themeline is "Chrysler-Plymouth — America's way to go" and uses the visual image of "thumbs up." The signature is designed for long-term use by individual dealers or dealer associations, Campana said.

Television spots end with Iacocca giving thumbs up to America.

DODGE: Chrysler's performance division continues "The New Spirit of Dodge" theme begun in 1989 but employs humor in its television and print campaigns.

A Pytka-directed television spot for Caravan is filled with the frenetic activity of children and uses the song "Kids, what's the matter with kids today." Dodge Caravan will be promoted heavily, and some ads use ownership testimonials. Print ads suggest: "Ask the Mom who owns one," "Ask the dog who vacations in one" and "Ask the guy who just bought his second one."

Dodge will also promote the Spirit, Shadow, Daytona and mid-sized Monaco sedan, which bows at mid-year.

Dodge truck advertising relies on "realism," Damoose said. "What you will see are Dodge trucks in their normal settings."

JEEP: A new themeline "There's only one Jeep" replaces the 1989 theme "Only in a Jeep." Jeep's successful Cherokee sport-utility will receive new competition in 1990 so the advertising stresses product features exclusive to Jeep such as a four-wheel anti-lock brake system and full-time four-wheel drive.

In a follow-up to last year's Clio award-winning campaign built around classic American songs, a 30-second Cherokee spot features a little girl camping out with her family and singing "Twinkle, twinkle little star."

Chrysler ads will focus on product features, such as anti-lock brakes.

EAGLE: The brand will emphasize the new all-wheel-drive Eagle Talon. Sixteen new 15-second television spots, three print spreads, a four-page insert and a special single-page ad feature Talon. Talon has competed in showroom stock car racing and leaders of the two race teams — Tommy Archer and Paul Rossi — appear on camera to stress the car's performance.

CORPORATE CAMPAIGN: Iacocca will be featured in print and television ads. Campaigns in the last quarter of 1989 will stress Chrysler's customer satisfaction ranking.

Leaning against a 1990 Chrysler LeBaron convertible, Iacocca says, "GM is bigger. Ford is richer. But neither of them beats Chrysler when it comes to satisfying the customer."

In the first quarter of 1990, ads will focus on the company's leadership in minivan sales.

The corporate ads begin this week. Brand advertising breaks in October.

TONKIN

FROM PAGE 3

charged by some manufacturers.

In the past, Tonkin has held out the specter of lawsuits and legislation to deal with those issues. He is now touting a more "cordial, sensible but firm" strategy.

"We have loaned our lobbying expertise in the past to the automakers on such issues as CAFE and clean air," he said. "Every time they have asked us for assistance, we have responded with no strings attached."

But in today's factory-dealer partnership, Tonkin said, "One partner is getting fat and going to the bank while the other is starving and going to the poorhouse."

Tonkin criticized dealers who specialize in fleet sales — who make their money by processing paperwork without selling or seeing a vehicle.

But he conceded that if an automaker offered him $9 per vehicle to do the paperwork for 5,000 fleet cars, he would do it.

"We shouldn't subsidize fleets," he emphasized. "But if the factory comes to me and says it wants to deliver 5,000 Chevrolets — and you might not even see the vehicles but will still be paid for the paperwork, you'll never see the cars, you'll never have to touch them, feel them or smell them — hell, I'd be a whore, too."

Tonkin has added to his list of injustices the mandatory 1 percent per vehicle advertising fee dealers are charged by some divisions of General Motors. He says it should be voluntary.

Tonkin has shaken up NADA and the automakers with his city-by-city crusade. Shortly after taking office, he formed the "Rough Riders" — a group of 1,000 dealers within the association who will carry on the crusade after his term ends next winter.

But apart from raising dealer issues with automakers, what has he accomplished in the seven months of his presidency?

Tonkin says he has at least kindled some dialogue with the automakers.

He has even spoken to the members of the Big 3 boards of directors about dealer concerns. He said the response has been positive.

When pressed, he concedes that little real progress has been made on any of his issues.

But he promises that by the end of his term, he will have brought a change in at least one of the issues.

GM

FROM PAGE 3

$1.2 billion, to $29 billion.

Analysts said they were particularly impressed with the broad array of GM products for the 1990 and 1991 model years, which they were able to test-drive at Milford. The products should boost GM's market share, analysts said.

GM executives have said they expect to gain a point of market share in both cars and trucks in the 1990 model year. They also said they expect Chevrolet to gain market share. Ford is beating Chevrolet in both car and truck sales for the third consecutive year.

Sales from Chevrolet's Geo line, predicted to rise from 200,000 this year to 300,000 next year, will give the division a boost, they said.

Smith told analysts a top priority of the company is "to profitably increase North American market share."

At the same time, GM will continue to lower its break-even point in North America, improve its fundamental earning power and maximize shareholder value, he said.

In the 12 months ended June 30, GM achieved a 15.4 percent return on equity, achieving GM's goal of a minimum return of 15 percent by 1990.

GM executives said the automaker will substantially exceed its target of $12.5 billion to $13 billion in annual cost savings by 1990, based on 1986 costs. They didn't specify by how much.

GM executives said two primary strategies — product simplification and improved capacity utilization — should contribute to a further improvement in GM's earning power.

Analysts said that GM executives admitted more plants will be closed to lower the company's break-even point. Analysts have predicted for some time that GM would be forced to close as many as four more assembly plants in the next few years.

GM officials further told analysts the company will replace 90 percent of its products in the next five years. After building new plants and refurbishing most old ones in the past decade, GM has put most of its capital spending money into new product development. It plans to continue spending on product rather than plants in the 1990s.

ZR-1

FROM PAGE 2

lectible as those cars are today because of the volume and design. The most collectible automobiles are those made in quantities of only a few hundred.

Chevrolet's Perkins disputes critics who say GM will produce too many ZR-1s to make it valuable in the future. He points to Chevrolets from the mid-1950s that were built in quantities of 200,000 a year yet are collectible.

In addition, Stauffer noted that the ZR-1, with the exception of wider tires and a slightly different shaped rear, is virtually identical to the standard Corvette that costs half the price.

"To the average man on the street, the car doesn't look any different than the $30,000 Corvette," Stauffer said.

The GM plant in Bowling Green, Ky., began ZR-1 production last week. Charlotte, N.C., businessman Rick Hendrick, who owns and operates 30 auto dealerships including City Chevrolet and fields three Chevrolet teams in NASCAR's Winston Cup competition, took delivery of the first retail ZR-1. Three-time Indianapolis driver Rick Mears received one of the first, a Pennzoil-yellow version. Mears was given the car in recognition of his contributions to Chevrolet motorsports.

DIAMOND

FROM PAGE 6

ments for the people and they will not be laid off," Walter said.

Big 3-UAW contracts allow automakers to lay off production workers for "valid volume declines," and the layoffs usually are based on seniority.

They also provide that workers will continue to receive a portion of their pay for a specific period during the layoff.

In the event of a layoff at Diamond-Star, workers will receive 80 percent of their wages for one year, Walter said.

Diamond-Star employees agreed to most of the Mitsubishi-conceived work rules already in use.

Left in place are such practices as job rotation and regular "production standards" meetings where line speed and quality improvement are addressed.

The contract calls for only three job classifications, compared with 20 to 40 at a typical Big 3 plant. In addition to the production associate and general maintenance associate job classifications, which existed prior to the contract, the plant will add a die maintenance associate class.

Walter said the new class consists of tool and die makers who will have some exemption from general plant production work responsibility.

Negotiators left intact the company's relationship with an outside firm that performs contracted maintenance services around the plant. Several of the transplant automakers have similar arrangements, and UAW officials have voiced concern that the practice might spread to the Big 3.

A controversial class of temporary employees, which exists at Mazda, was not created at Diamond-Star.

Effective immediately, base pay of production associates will increase from $11.71 an hour to $12.79. The rate will reach $15.04 an hour by 1992. General maintenance workers and die maintenance associates will begin at $14.89 an hour and rise to $17.52 an hour by 1992.

The immediate increase was achieved by folding a cost of living allowance into the base pay, Walter said.

Diamond-Star, which began production in summer 1988, builds the Mitsubishi Eclipse/Plymouth Laser/Eagle Talon and the Mitsubishi Mirage/Eagle Summit.

The plant recognized the UAW last December after a majority of eligible workers signed cards calling for a union election.

Nissan officials noted that, rather than laying off workers during a sluggish sales period in 1988, the company used the time to conduct refresher training courses. The officials contended that such commitment would not necessarily be guaranteed under a union contract.

UAW dissidents plan convention

ST. LOUIS — Leaders of the UAW's New Directions caucus will meet here Sept. 9 to plan their first national convention, scheduled for Oct. 21-22.

Support for New Directions, a dissident group within the union, has grown since the UAW convention in June, several New Directions members said.

At the New Directions convention in October the dissidents plan to establish a national structure for a second political party within the UAW and formulate bargaining demands.

At the June convention, delegates defeated New Directions candidates and platforms in what was seen as a sweeping political victory for UAW President Owen Bieber and the administration.

New Directions leader Jerry Tucker, who lost his bid for reelection as UAW Region 5 director at the convention, said he expects about 35 people from Big 3 plants nationwide to attend the Sept. 9 meeting. Supporters said they expect between 500-600 people in October.

Tucker has protested his defeat to the Department of Labor, which is investigating his claim that the UAW illegally influenced the election.

OPTIONS

FROM PAGE 3

light trucks than its competitors.

Transplants will retain a lead in power sunroofs, rear-window defrosters and rear-window wipers.

"GM has been a key player in automotive electronics but because Ford has put so much effort in the truck side, we predict it will edge out GM," Pochiluk said.

The model mix offered by Japanese transplants — usually low-end vehicles — is the reason Pochiluk cites for transplants trailing in sales of comfort/safety features.

The study also categorizes automotive electronics. Air bags, anti-lock brakes, power door locks and power windows are in the rapid-growth category.

Cruise control, headlamp timing, intermittent wipers, power sunroofs, rear-window defrosters and trip computers are in the moderate-growth group. Anti-theft devices, automatic air conditioning, keyless locks, load levelers, power seats and rear window wipers are in the slow-growth category.

Appeals court kills claims on GM diesel resale value

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A federal appellate court in Richmond, Va., has denied claims for "diminished resale value" to owners of 1981-85 General Motors diesel vehicles that had no engine problems during the warranty period.

But the court sent the case back to the lower court to decide if the owners were entitled to compensation for engine repairs that occurred after their warranties expired.

The ruling has implications for several other major class-action suits charging lost resale value, including a Chicago suit involving unintended acceleration in Audi 5000s and a Washington case involving alleged brake problems on GM X-cars.

The diesel class action was filed in Charleston, S.C., in October, 1986 by Beverly C. Moore Jr., of the Washington-based law firm of Moore and Brown.

It sought unspecified compensatory and punitive damages and charged that the GM 5.7-liter diesel engine was "inherently defective" and needed "extensive and expensive repairs."

Approximately 500,000 GM cars and light trucks were equipped with the engine.

The suit claimed GM's failure to correct the alleged defects violated the Magnuson-Moss Act because it breached the implied warranty of merchantability and because GM had limited the implied warranties to the length of the written warranties.

The unique feature of the suit was the claim for loss of resale value. The Center for Auto Safety estimated the loss may be as high as $3 billion.

The suit was not part of an earlier New York class action involving 1978-80 GM diesel cars that was settled for $22.5 million in 1984, nor was it part of the 1980 Federal Trade Commission complaint involving defective fuel injection pumps on the diesel engine. The FTC action was settled with GM agreeing to submit warranty claims to arbitration administered by the Council of Better Business Bureaus.

But the claim for loss of resale value is a central part of the Audi suit still in litigation in Chicago and a similar action involving early-production 1980 X-cars in U.S. District Court. Both allege that unfavorable publicity caused loss of resale value.

In the South Carolina case, U.S. District Judge Falcon B. Hawkins dismissed the claims of 130 plaintiffs who had engine problems with the GM diesels after the warranty period had expired. He also threw out the claims for lost resale value because of the alleged "poor reputation" of the diesel engine.

The appellate court called the resale value case a "novel" theory and said the plaintiffs cited no specific case where a court "held the implied warranty of merchantability protects against unanticipated losses in resale value."

While Moore argued that one of the ordinary purposes for which a vehicle is used is to be able to resell it in the future, the court disagreed saying the main purpose was to be able to drive the car in a "safe condition" and "substantially free of defects."

But the appellate court said the lower court should not have ruled on the question of the "unconscionability" of GM's action in limiting the implied warranty to the duration of the express warranty merely on the basis of "bare-bones pleadings."

Instead, said the court, the parties must be allowed to develop an "adequate record" and this may involve such procedures as affidavits, interrogatories and depositions.

The lower court, in finding for GM, ignored Moore's additional arguments that diesel engines were supposed to last much longer than gasoline engines and thus the express warranties were "unreasonable" for diesel engines.

The lower court cited an earlier opinion saying that a 12/12 warranty, shorter than either of these, was reasonable. It said the "time/mileage limitation on the warranty which Congress expressly permits would be rendered meaningless" if it agreed to Moore's arguments that plaintiffs need only show that a "manufacturer knew a product would fail after the expiration of the implied warranty in order to recover for unmerchantability."

GM's warranty documents given consumers purported to limit the implied warranty to the same length as the express warranty, which was 24 months/24,000 miles for 1981-82 models and 36 months/50,000 miles for 1983-85 models.

The federal appellate court said the lower court should not have ruled at all until it had allowed more evidence, such as whether buyers of the GM diesel vehicle had any "meaningful choice" in accepting the limits set by GM on their implied warranties.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$500 - $1,250	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $2,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive. *Chevrolet's rebate program has no expiration date.								
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 325i			9.6	9.6	9.6	Sept. 30		
Daihatsu							$300 if meet sales quota	Sept. 5
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on quota	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$600 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling	$3,000 - $5,000					Nov. 30		
Subaru	$1,000 - $3,000*					Sept. 4	$1,000 - $3,000*	Sept. 4
*Rebates go to the customer in some regions and to the dealer in other regions.								
Toyota Cressida							$1,500	Nov. 2
Other Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

Sterling adds $5,000 rebate; Toyota Cressida gets $1,500

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Sterling Motor Cars has announced a $5,000 rebate on its 1989 827SL sedan, 827SLi hatchback and the 827SL Limited Edition, plus a $3,500 rebate on the less luxurious 827S. The rebate expires Nov. 30 and there is no dealer participation required.

Meanwhile, Toyota Motor Sales U.S.A. announced a $1,500 incentive on Cressida and Ford Motor Co. boosted its cash rebates and added some truck models to a program which began Aug. 1.

At week's end, General Motors officials considered increasing, even doubling, the cash rebate currently available on Oldsmobiles.

"Nothing is official," one source said at presstime Friday afternoon. "The corporation has not approved it."

Less than two weeks ago, Oldsmobile increased the consumer cash incentive on its 1989 Toronado from $1,500 to $2,500.

Several automakers this week are likely to extend or replace expiring programs.

Sterling President Graham J. Morris said last week the company has sold virtually all its leftover 1988s, so Sterling is placing a heavier emphasis on selling the 1989s before the 1990 launch.

Through July, Sterling's U.S. sales were 3,821, compared to 5,652 for the same period last year.

At the start of the 1989 model year last fall, Sterling was saddled with high inventories of 1988 models, and even some left-over 1987s, so the company launched its 1989 models only last spring.

The new rebates replace all other previous incentive programs and expire Nov. 30.

Toyota announced a $1,500 dealer incentive on its Cressida. The offer begins Sept. 1 and extends through Nov. 2. The current $100 to $2,000 dealer incentive on other Toyota cars and $200 to $2,500 incentive on Toyota trucks expire Sept. 5.

Also, Ford announced revisions to its buyer incentive programs which started Aug. 1. Customer rebates on Ford Festiva L-Plus and LX models have been increased from $600 to 800. Festiva L models remain at $600.

Ford Aerostar cash is increased from $300 to $500; Bronco II cash is increased from $750 to $1,250; Econoline E-150 van (non-conversion) cash is increased from $500 to $750. Econoline E-150 conversion vans remain at $1,000.

Some conventional pickup truck models not previously included in buyer incentive programs have been added. Ford F-150 manual and automatic 4X4 and automatic 4X2 pickup trucks are added with a $500 cash incentive. Ford F-250 manual and automatic 4X4 models are added at $750 cash.

Low-rate financing alternatives will continue for Festiva and Bronco II models at the percentages and periods of 2.9 for 24 months, 6.9 for 36 months, 7.9 for 48 months and 10.9 for 60 months. Truck products other than Bronco II in this program are cash-only. This incentive program runs indefinitely.

PRODUCTION

Downtime cuts build of cars, trucks

By Karen Detkowski
SPECIAL CORRESPONDENT

With several car and truck plants closed due to slow sales and model changeovers, last week's production fell below the previous week's total.

U.S. truckmakers scheduled 72,452 units last week, 10.89 percent below the prior week's 81,307 and 8.92 percent below the year-ago week's 79,546.

Car output was estimated at 121,326 units last week, 7.37 percent below the previous week's 130,980 and 11.29 percent below the year-ago week's 136,771.

So far this year, 4,661,817 cars have been built, 0.93 percent above last year's 4,619,062 at this time.

Companies split last week's estimated production as follows: General Motors, 50.93 percent; Ford Motor Co., 17.32 percent; Chrysler Motors, 13.93 percent; Honda of America Manufacturing, 5.13 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.58 percent; Toyota Motor Manufacturing U.S.A., 2.82 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.25 percent; Diamond-Star Motors, 2.14 percent; and New United Motor Manufacturing Inc., 1.90 percent.

Chrysler's Jefferson Avenue plant in Detroit closed last week for model changeover. The plant, which builds the Dodge Omni and Plymouth Horizon, will resume production Sept. 11.

GM light-duty truck plants in Moraine, Ohio; Shreveport, La; and Pontiac (West), Mich., are expected to resume production tomorrow. They were closed to adjust high inventories.

GM's Allante line at the Detroit-Hamtramck plant returns Wednesday from a two-week break for model changeover. GM's Oldsmobile 88 line in Wentzville, Mo., is expected to resume this week after two weeks of downtime due to a material shortage.

Ford's Lorain, Ohio, plant, which closed for a week due to lack of dealer orders for 1989 Ford Thunderbird and Mercury Cougar models, returns tomorrow.

The Jeep Grand Wagoneer line at Chrysler's Toledo, Ohio, plant resumes output tomorrow after being down two weeks to adjust inventories.

All car and truck assembly plants are closed today for Labor Day.

Car output up 26% in Canada

Last week's scheduled Canadian auto production totaled 19,354, 26.73 percent more than the prior week's 15,272 and 7.44 percent above the year-ago week's 18,013.

Truckmakers planned to build 19,476 units last week, 1.72 percent below the previous week's 19,817 but 8.33 percent above the year-ago week's 17,978.

Chrysler's Bramalea, Ontario, plant closed last week to adjust inventories of the Eagle Premier, which had a 97-day supply at the end of July. The plant will resume operations Sept. 11.

U.S. CAR	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Horizon	0	1,246	1,258	4,607	21,175	54,789
Sundance	1,700	1,665	1,593	5,702	70,620	68,709
Reliant	0	1,651	0	0	0	57,560
Acclaim	2,900	0	2,859	12,394	84,498	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	249	0	0	0	15,875
Total Plymouth	4,600	4,811	5,710	22,703	176,293	206,020
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,600	1,896	2,520	10,868	69,702	50,331
LeBaron GTS	0	158	0	0	2,946	6,261
N. Yorker C-Class	800	1,922	829	3,458	61,511	70,113
Fifth Avenue	1,900	994	1,904	6,571	6,951	19,384
Total Chrysler	5,300	4,970	5,253	20,897	141,110	154,001
Omni	0	1,234	1,118	4,261	22,229	53,502
Daytona	1,800	1,919	1,704	7,278	56,262	49,542
Shadow	1,800	1,886	1,738	5,871	67,664	67,909
Aries	0	1,895	0	0	0	56,170
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,000	2,384	1,808	7,901	92,354	68,406
Lancer	0	154	0	0	1,528	6,016
Spirit	1,600	0	1,756	7,486	66,703	0
Diplomat	0	303	0	0	0	13,520
Total Dodge	7,000	9,775	8,124	32,796	308,740	323,614
CHRYSLER MOTORS	16,900	19,556	19,087	76,396	626,143	683,635
Escort	6,307	8,506	8,689	32,597	217,764	282,343
Mustang	2,447	4,212	4,415	18,566	144,551	135,310
Tempo	2,910	3,187	2,952	13,419	100,875	125,115
Taurus	5,132	7,621	6,105	28,794	244,482	285,272
Thunderbird	0	0	2,653	9,711	104,099	90,248
Total Ford Div.	16,796	23,526	26,814	103,088	811,771	678,293
Topaz	1,431	1,187	1,448	6,351	47,453	47,244
Cougar	0	0	2,622	9,719	89,789	89,666
Sable	1,526	2,319	2,472	9,110	78,783	90,430
Total Mercury	2,957	3,506	6,542	25,181	216,025	207,360
Continental	378	1,458	437	3,672	43,745	31,021
Mark VII	127	724	0	102	14,105	16,795
Lincoln	759	2,186	1,016	7,575	82,828	87,010
Total Lincoln	1,264	4,368	1,453	11,348	140,478	134,826
Total L-M Division	4,221	7,874	7,995	36,529	356,503	342,186
FORD MOTOR CO.	21,017	31,400	34,809	139,617	1,168,274	1,220,479
Skyhawk	0	483	0	0	6,913	11,435
Skylark/Somerset	1,730	1,410	1,709	4,216	39,435	32,645
Century	2,878	4,292	2,824	12,204	67,781	76,454
Riviera	513	287	378	1,169	12,620	3,995
Electra	1,977	1,217	1,827	7,901	51,890	56,943
LeSabre (fwd)	3,195	216	3,587	11,246	101,892	88,389
LeSabre (rwd)	218	2,925	272	446	4,592	6,802
Reatta	195	239	146	466	3,645	6,243
Total Buick	10,706	11,019	10,743	37,649	308,768	282,906
Cimarron	0	0	0	0	0	3,693
Eldorado	414	321	308	953	20,139	24,195
Seville	341	232	304	821	14,886	15,048
Brougham (rwd)	630	796	625	1,990	24,049	21,537
Deville (fwd)	3,845	1,392	3,805	16,744	134,393	99,125
Allante	0	12	0	136	2,077	1,147
Total Cadillac	5,230	2,755	5,102	20,846	195,544	184,745
Cavalier	4,354	6,645	3,005	18,482	243,048	241,995
Camero	1,445	2,055	1,358	3,247	68,127	59,036
Celebrity	0	3,514	0	0	70,349	122,590
Corsica/Beretta	8,358	9,198	7,635	25,616	256,314	278,859
Caprice	4,203	3,713	4,077	11,356	124,957	141,131
Corvette	456	451	320	1,050	17,181	14,990
Total Chevrolet	18,818	25,574	16,393	59,750	779,976	858,601
Calais	1,870	2,367	1,848	4,570	61,425	72,856
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,348	794	1,412	5,492	61,445	14,865
Cutlass Supreme	3,453	3,432	2,891	10,134	63,347	97,866
Toronado	157	130	66	206	5,082	10,653
88 (fwd)	3,061	2,754	2	5,865	92,381	104,098
88 (rwd)	145	200	113	361	5,475	8,318
Olds 98	1,355	1,099	1,363	5,816	49,254	50,135
Total Oldsmobile	11,389	10,776	7,695	32,464	338,409	364,031
Sunbird	2,366	2,508	1,903	7,987	96,668	71,410
Grand Am	4,800	4,827	4,906	17,851	162,675	154,828
Firebird	1,163	1,349	922	2,446	38,031	40,966
Grand Prix	3,548	4,052	3,115	12,020	84,516	85,770
Pontiac 6000	1,615	2,305	1,646	6,966	56,264	52,563
Bonneville	2,167	2,546	2,226	9,633	62,111	75,152
Safari/Parisienne	0	147	0	0	2,691	5,447
Fiero	0	0	0	0	0	13,260
Total Pontiac	15,659	17,734	14,718	56,903	502,956	499,396
GENERAL MOTORS	61,802	67,908	54,651	207,413	2,125,653	2,169,679
DIAMOND-STAR	2,593	0	2,856	12,099	44,671	0
HONDA	6,230	7,318	5,179	30,710	253,011	247,902
Civic	3,436	2,621	1,806	10,439	86,781	71,405
Accord	2,794	4,697	3,373	20,271	166,230	176,497
MAZDA	4,340	4,404	3,900	16,783	136,950	81,405
NISSAN	2,724	2,898	2,626	11,222	79,505	73,104
NUMMI	2,300	3,287	4,079	17,610	137,915	107,263
Corolla	900	1,173	1,779	7,333	55,934	39,188
Geo Prizm/Nova	1,400	2,114	2,300	10,277	81,981	68,075
TOYOTA	3,420	0	3,791	16,955	89,695	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	121,326	136,771	130,980	526,804	4,661,817	4,619,062
Total Cars, Canada	19,354	18,013	15,272	69,324	645,948	725,264
U.S., Canada Cars	140,680	154,784	146,252	596,129	5,307,765	5,344,326
U.S., Canada Cars and Trucks	232,608	252,308	247,376	1,022,197	8,833,559	8,717,802

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Premier	0	966	0	3,360	25,966	41,299
CHRYSLER MOTORS	0	966	0	3,360	25,966	41,299
Tempo	3,360	2,360	3,002	14,067	88,064	120,069
Topaz	1,440	1,053	1,359	6,046	37,435	44,575
Crown Victoria	2,520	2,484	967	9,759	81,646	86,146
Grand Marquis	2,638	2,632	1,093	10,040	87,567	86,686
FORD MOTOR CO.	9,958	8,529	6,421	39,912	294,732	337,476
Celebrity	55	161	0	44	15,286	14,708
Cutlass Ciera	181	3,362	0	145	96,157	164,880
Lumina	4,096	0	4,535	11,808	94,267	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,704	3,793	2,187	4,530	48,633	104,751
GENERAL MOTORS	7,036	7,316	6,722	16,527	254,343	314,014
HONDA	1,860	1,202	1,636	7,673	55,823	27,962
TOYOTA	500	0	493	1,753	9,897	0
VOLVO	0	0	0	0	5,187	4,513
Total Cars, Canada	19,354	18,013	15,272	69,324	645,948	725,264

U.S. TRUCK☆	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Caravan	1,700	1,961	1,716	7,285	70,051	63,066
Dakota	1,900	2,106	1,809	8,522	65,490	70,537
Caravan C/V	50	111	81	292	4,825	9,065
Ram pickups	1,900	2,108	1,812	8,548	65,618	49,021
Total Dodge	5,550	6,286	5,418	24,647	205,984	191,711
Cherokee	4,100	3,582	4,182	18,954	150,321	120,595
Comanche	500	780	480	2,194	20,011	30,439
Grand Wagoneer	0	0	0	902	7,514	9,191
Wagoneer	50	200	88	359	5,508	7,090
Total Jeep	4,650	4,562	4,750	22,408	183,354	167,315
Voyager	1,600	1,886	1,604	6,670	85,928	50,480
Town & Country	100	0	179	483	2,377	0
Total C-P Div.	1,700	1,886	1,783	7,153	88,305	59,480
CHRYSLER MOTORS	11,900	12,736	11,951	54,208	457,643	418,506
Aerostar	3,973	4,688	3,324	17,403	154,492	135,713
Bronco	1,206	878	1,457	6,384	52,774	37,482
Bronco II	2,362	2,916	2,282	10,201	82,462	87,287
Econoline	4,158	4,732	4,158	19,182	157,941	158,883
Heavy trucks	1,295	1,323	1,196	4,254	42,324	44,845
Light trucks	12,868	9,779	10,924	47,294	364,887	328,844
Ranger	6,201	6,766	6,242	26,463	216,977	237,049
Total Ford Div.	32,033	31,082	29,585	131,182	1,069,857	1,029,713
FORD MOTOR CO.	32,033	31,082	29,585	131,182	1,069,857	1,029,713
Astro	2,922	3,111	2,790	12,439	111,894	118,770
Blazer	542	469	551	2,487	19,587	17,496
Medium/Heavies	365	613	480	1,591	7,829	13,651
P-Model	597	886	299	777	21,845	27,891
Pickups	8,007	6,447	8,046	36,774	278,306	234,250
S-10	0	5,255	4,822	18,967	179,651	204,798
S-10 Blazer	0	3,362	4,193	14,500	131,177	109,853
Sportsvan/Van	1,818	1,830	1,800	7,898	67,347	63,676
Suburban	1,450	1,235	1,502	6,753	54,584	47,034
Total Chevrolet	15,709	23,188	24,483	102,186	868,381	837,221
Jimmy	161	148	167	746	5,805	5,042
Medium/Heavies	585	495	483	2,650	12,677	26,709
P-Model	69	102	47	102	3,032	3,726
Pickups	2,583	2,003	2,302	11,697	83,589	72,053
S-15	0	1,240	1,244	4,235	40,782	46,335
S-15 Jimmy	0	931	858	4,345	36,719	31,160
Safari	838	892	714	3,364	29,164	30,200
Suburban	651	628	650	2,948	21,564	20,598
Vandura/Rally Vans	642	564	650	3,275	19,294	23,775
Total GMC	5,539	7,003	7,724	33,372	246,685	259,598
GENERAL MOTORS	21,247	30,191	32,187	135,558	1,115,066	1,096,819
NAVISTAR	1,400	1,411	1,656	5,931	55,186	58,199
NISSAN	2,422	1,376	2,478	10,844	82,007	65,470
AM GENERAL	450	450	450	2,070	15,390	15,860
MISCELLANEOUS	3,000	2,300	3,000	13,800	96,600	80,040
Total Trucks, U.S.	72,452	79,546	81,307	353,573	2,891,549	2,764,407

CANADIAN TRUCK	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Caravan	2,748	2,717	3,407	12,395	95,652	94,803
Caravan C/V	164	138	201	742	7,850	8,821
Ram Wagon	660	552	663	2,280	17,992	16,542
Ram Van	1,690	1,736	1,727	6,180	48,357	44,148
Total Dodge	5,260	5,143	5,998	21,598	167,851	164,314
Voyager	2,210	2,171	2,636	10,167	84,281	84,206
Total Plymouth	2,210	2,171	2,636	10,167	84,281	84,206
Wrangler	1,700	1,072	1,826	8,215	54,955	33,252
Total Jeep	1,700	1,072	1,826	8,215	54,955	33,252
CHRYSLER MOTORS	9,170	8,386	10,460	39,980	307,087	281,772
FORD MTR (lt. trks.)	3,231	2,867	3,014	13,127	106,535	108,237
Light trucks	3,203	3,063	3,404	8,967	107,054	101,643
Vans	1,287	1,341	1,070	2,273	39,273	38,474
Total Chevrolet	4,490	4,424	4,474	11,240	146,327	140,117
Light trucks	1,677	1,540	1,341	4,406	47,122	51,526
Vans	663	491	528	1,155	19,345	19,829
Total GMC	2,340	2,031	1,869	5,561	66,467	71,355
GENERAL MOTORS	6,830	6,455	6,343	16,801	212,794	211,472
NAVISTAR	245	270	0	587	7,829	7,568
Total Trks., Canada	19,476	17,978	19,817	70,495	634,245	609,069
U.S., Canada Trks.	91,928	97,524	101,124	424,068	3,525,794	3,373,476

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.